

CLAIMS

What is claimed is:

5 1. A method for improving liquidity of transactions for a plurality of contracts,
the method comprising the steps of:

 defining a complete set including the plurality of contracts, the complete set
guaranteeing at least an initial settlement value at at least one particular time, the complete
set corresponding to a settlement value, the settlement value being determined based upon
10 the initial settlement value.

 2. The method of claim 1 wherein the settlement value is determined based on
the initial settlement value and an interest rate effect, if necessary, wherein the interest rate
effect includes an adjustment in a present value based upon an interest rate, the initial
15 settlement value, and a time between the at least one particular time and the settlement value
being determined.

 3. The method of claim 1 wherein each of the plurality of contracts matures
upon at least one particular event occurring and wherein the complete set corresponds to at
20 least the settlement value regardless of whether the at least one particular event occurs for
any of the plurality of contracts.

 4. The method of claim 1 wherein the at least one particular time corresponds to
at least a portion of the plurality of contracts maturing.

5. The method of claim 1 further comprising the step of:
allowing at least one market participant to trade the complete set for the settlement
value.

5 6. The method of claim 5 wherein the allowing step further includes the step of:
only allowing the at least one market participant to obtain the settlement value in
exchange for the complete set upon the plurality of contracts maturing.

7. The method of claim 5 wherein the allowing step further includes the step of:
10 allowing the at least one market participant to obtain the settlement value upon
exchange of the complete set any time before the plurality of contracts mature.

8. The method of claim 5 wherein the allowing step further includes the step of:
allowing the at least one market participant to obtain the settlement value when the at
15 least one particular event does not occur for any of the plurality of contracts.

9. The method of claim 1 further comprising the step of:
automatically notifying the at least one market participant that the complete set has
been obtained.

20 10. The method of claim 1 further comprising the step of:
providing an exchange window for allowing at least one market participant to
exchange the complete set for the settlement value.

11. The method of claim 10 wherein the exchange window is capable of making the exchange when a market for the plurality of contracts in the complete set is unavailable for the exchange.

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12. The method of claim 10 wherein the exchange window providing step further includes the steps of:

providing the exchange window for allowing the at least one market participant to exchange the settlement value for the complete set.

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13. The method of claim 10 wherein the exchange window provides the settlement value in at least one negotiable instrument.

14. The method of claim 13 wherein the at least one market participant includes a plurality of market participants, and wherein the at least one negotiable instrument is provided to the plurality of market participants having the complete set.

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15. The method of claim 10 wherein the exchange window further allows a market participant to exchange at least one contract for a particular contract or contracts.

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16. The method of claim 15 wherein the particular contract or contracts is part of the complete set.

17. The method of claim 1 further comprising the steps of:

providing a special purpose vehicle for buying and selling at least one of the plurality of contracts.

18. The method of claim 17 further comprising the step of
allowing the special purpose vehicle to buy the complete set.

19. The method of claim 18 wherein the special purpose vehicle allowing step further includes the step of:

buying the complete set from at least one market participant using the special purpose vehicle based upon a sum of offers and the settlement value.

20. The method of claim 18 wherein the allowing special purpose vehicle step further includes the step of:

automatically buying the complete set from at least one market participant using the special purpose vehicle when a sum of offers for the complete set is less than or equal to the settlement value.

21. The method of claim 17 wherein the special purpose vehicle further buys the at least one of the plurality of contracts at a zero price.

22. The method of claim 17 further comprising the step of
allowing the special purpose vehicle to sell the complete set.

23. The method of claim 22 wherein the special purpose vehicle allowing step further includes the step of:

selling the complete set to at least one market participant using the special purpose vehicle based upon a sum of bids and the settlement value.

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24. The method of claim 22 wherein the special purpose vehicle allowing step further includes the step of:

automatically selling the complete set to at least one market participant using the special purpose vehicle when a sum of bids for the complete set is greater than or equal to the settlement value.

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25. The method of claim 17 wherein the special purpose vehicle is allowed to secure trades when buying and/or selling at least one of the plurality of contracts.

26. The method of claim 1 wherein the plurality of contracts are based upon a continuous variable and wherein the complete set defining step further includes the step of:

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defining a plurality of boundaries for the plurality of contracts of the continuous variable so that the plurality of contracts in the complete set share the plurality of boundaries.

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27. The method of claim 26 wherein a portion of the plurality of boundaries are defined to be vertical such that only one winner can exist at each of the portion of the plurality of boundaries.

28. The method of claim 26 wherein a portion of the plurality of boundaries are defined to be vertical and more than one winner can exist at each of the portion of the plurality of boundaries.

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29. The method of claim 26 wherein a portion of the plurality of boundaries are defined to have a slope such that more than one winner can exist at each of the portion of the plurality of boundaries.

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30. The method of claim 26 wherein each of a portion of the plurality of boundaries are defined as a curve such that more than one winner can exist at each of the portion of the plurality of boundaries.

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31. The method of claim 1 wherein the plurality of contracts include a digital call and a digital put for a particular option and wherein the complete set defining step further includes the step of:

defining a boundary between the digital call and the digital put such that the digital call and digital put add together to form a portion of the plurality of contracts in the complete set.

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32. The method of claim 1 further comprising the step of:
presenting bid and offer information of the plurality of contracts to at least one market participant, the bid and offer information being provided in a matrix matching each

of the plurality of contracts with any bid or offer for the each of the plurality contracts ranked in order based upon the price of the bid or offer.

33. The method of claim 1 wherein each of the plurality of contracts has a discrete outcome.

34. The method of claim 1 wherein the plurality of contracts are mutually exclusive.

35. The method of claim 1 wherein the plurality of contracts are collectively exhaustive.

36. The method of claim 1 wherein at least the complete set defining step is implemented using a computer system.

37. The method of claim 1 further comprising the step of:
converting a plurality of bets from a bet-odds format to the plurality of contracts.

38. The method of claim 1 further comprising the step of:
converting the plurality of contracts to a bet-odds format.

39. A computer-readable medium containing a program for improving liquidity of transactions for a plurality of contracts, the program including instructions for:

defining a complete set including the plurality of contracts, the complete set guaranteeing at least an initial settlement value at at least one particular time, the complete set corresponding to a settlement value, the settlement value being determined based upon the initial settlement value.

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40. The computer-readable medium of claim 39 wherein the settlement value is determined based on the initial settlement value and an interest rate effect, if necessary, wherein the interest rate effect includes an adjustment in a present value based upon an interest rate, the initial settlement value, and a time between the at least one particular time and the settlement value being determined.

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41. The computer-readable medium of claim 39 wherein each of the plurality of contracts matures upon at least one particular event occurring and wherein the complete set corresponds to at least the settlement value regardless of whether the at least one particular event occurs for any of the plurality of contracts.

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42. The computer-readable medium of claim 39 wherein the program further includes instructions for:

providing an exchange window for allowing at least one market participant to exchange the complete set for the settlement value.

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43. The computer-readable medium of claim 39 wherein the program further includes instructions for:

providing a special purpose vehicle for buying and selling at least one of the plurality of contracts.

44. A system for improving liquidity of transactions for a plurality of contracts,
the system comprising:

means for defining a complete set including the plurality of contracts, the complete set guaranteeing at least an initial settlement at at least one particular time, the complete set corresponding to a settlement value, the settlement value being determined based upon the initial settlement value.

45. The system of claim 44 wherein the settlement value is determined based on the initial settlement value and an interest rate effect, wherein the interest rate effect includes an adjustment in a present value based upon an interest rate, the initial settlement value, and a time between the at least one particular time and the settlement value being determined.

46. The system of claim 44 wherein each of the plurality of contracts mature upon at least one particular event occurring and wherein the complete set corresponds to at least the settlement value regardless of whether the at least one particular even occurs for any of the plurality of contracts.

47. The system of claim 44 further comprising:
an exchange window for allowing at least one market participant set to trade the settlement value for the complete set.

48. The system of claim 44 wherein the exchange window is capable of making the exchange when a market for the plurality of contracts in the complete set is unavailable for the exchange.

49. A system for improving liquidity of transactions for a plurality of contracts, the system comprising:

means for defining a complete set including the plurality of contracts, the complete set guaranteeing at least an initial settlement at at least one particular time, the complete set corresponding to a settlement value, the settlement value being determined based upon the initial settlement value; and

a special purpose vehicle for buying and selling at least one of the plurality of contracts.

50. The system of claim 49 wherein the settlement value is determined based on the initial settlement value and an interest rate effect, wherein the interest rate effect includes an adjustment in a present value based upon an interest rate, the initial settlement value, and a time between the at least one particular time and the settlement value being determined.

51. The system of claim 49 wherein each of the plurality of contracts maturing upon at least one particular event occurring and wherein the complete set corresponds to at least the settlement value regardless of whether the at least one particular even occurs for any of the plurality of contracts.

52. The system of claim 49 further wherein special purpose vehicle further automatically buys the complete set from at least one market participant using the special purpose vehicle when a sum of offers for the complete set is less than the settlement value.

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53. The system of claim 49 wherein the special purpose vehicle can further buy the at least one of the plurality of contracts at a zero price.

54. The system of claim 49 wherein the special purpose vehicle can further sell the complete set.

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55. The system of claim 49 wherein the special purpose vehicle is further capable of selling the complete set from at least one market participant based upon a sum of bids and the settlement value.

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56. The system of claim 49 wherein the special purpose vehicle can further automatically sell the complete set to at least one market participant when a sum of bids for the complete set is greater than the settlement value.

57. The system of 49 wherein the special purpose vehicle further secures trades when buying and/or selling at least one of the plurality of contracts.

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